

NTDC LTD Quarterly Organisation Progress Report to Council Members – December 2017

2017 is at an end!

As the year comes to an end, NTDC would like to thank everyone for their ongoing support and involvement throughout the year. The changes made at the beginning of the year to streamline the business and move into the new “Co-Work Launceston” office at 93 York Street Launceston has been a positive change and NTDC is looking forward to 2018.

1. Update on Region Economic Development Plan (REDP)

As part of the City Deal, NTDC has been appointed to develop and be the custodian of the REDP with completion due in 2018 with a total of \$140,000 funding assistance from the State Government received, which has been allocated between the Key Directions Report and the new Project Officer, Ellie Pardoe, who will coordinate many elements of the REDP over the next year.

The Plan will provide a shared understanding of where future economic and jobs growth will come from. This strategic outlook will help coordinate future government investments, encourage new private sector investment, improve planning and provide support for ongoing regulatory reform.

NTDC appointed the National Institute of Economic and Industry Research (NIEIR) to develop the Key Directions Report (KDR). This report is in two parts: firstly, a review of our current economic situation and trends; and secondly – how we might reach our Northern Future Targets of a 50% increase in our Gross Regional Product over 10 years. The KDR draft report is due in February and the final report is due in March 2018.

The KDR will be used to inform our broader consultation with businesses and the community interested in our Region’s economic development. Councils, NTDC Board and a Steering Committee (made up of other stakeholders including UTAS, the State Government, and the Chamber of Commerce) will be consulted during the development of both the background KDR and the further development of the REDP (due by the end of 2018).

2. Regional Prioritisation of Projects

NTDC aims to encourage investment initiatives in all sectors (including social, environmental, and regional infrastructure), and particularly in our high growth sectors to boost business and workforce concentration (clusters) to increase competitive advantage relative to other regions.

An important reason for the NTDC Ltd to exist is to present a unified voice on Regional Priorities – especially in the lead-up to the State election which is scheduled to occur in March 2018. NTDC has requested LGA priority projects from each council to allow NTDC to assess the projects using the Tier 1, 2 and 3 methodologies. Based on the information supplied to date, at the November Members’ Meeting the Members were recommended to endorse the list of Regional Priority Projects. This list may be updated when new information is provided and the revised recommendations will be re-circulated for endorsement by Members.

The proposed list of current priorities is listed below (in order of priority) based on the extent of regional benefit or readiness to proceed:

2.1. Launceston Sewerage Improvement program - \$200-\$300M capital project (3 Options currently under study). Impacts future of seven sewerage treatment plants located in West Tamar, Launceston and Meander Valley. Economic benefit (short and long run) not yet quantified – but clearly a Tier 1 project. Project economics and economic impact will be demonstrated in due course as funding will have to pass the Infrastructure Australia hurdles. (Assume Capital Value-Add of approx. \$600M for region).

2.2. Blue Derby Stage 2 (incl. St Helens Stacked Loops) – \$1.54M is required to unlock a total of 4.6M capex with an economic benefit of between \$18M - \$32M per annum on the new infrastructure (based on the additional visitors); and approximately 154 new jobs in the area. This is a low capital intensity/ high economic impact project which is clearly aligned with the state and regional visitor economy strategies and infrastructure priorities. The opportunity cost to the local economy of not proceeding is at least \$20M/year.

2.3. Flinders Island Safe Harbour Project at Lady Barron – requires a \$4.8M capex with approx. \$10M/year economic growth based on the data provided. The project has ramifications for the North and North East maritime sectors as a safe harbour. This project has good economic configuration and is a good model for all project assessments.

2.4. Launceston Gateway Precinct – NTDC is supportive of the Gateway Precinct based on the project providing the following:

a. Encourages investment in infrastructure, and attract businesses, which would enable an increase in air freight through the Gateway Precinct – in partnership with Launceston Airport. Greater competitive tension between sea and air freight, and increased modal choice for exporters is unarguably positive for the region.

b. Engages with the State Roads Burnie to Hobart Freight Corridor Strategy team to determine whether a rail/road intermodal facility at Western Junction makes sense – i.e. are rail freight services between Western Junction and Bell Bay, Burnie and Brighton cheaper than the corresponding road freight competitor?

c. Attracting additional clean processing businesses to locate at the Gateway Precinct where this provides them with competitive advantage, for example the location close to the airport.

NTDC has received some information from both City of Launceston and Meander Valley Council in regard to their priority projects and economic assessments. Once the reviews are completed NTDC will circulate a new Regional Priority Projects list to all Council Members to confirm the final list in January 2018.

3. Regional Modelling

At the NTDC Members meeting on the 8th November it was agreed in principal to move forward with the Regional Modelling solution .id being the preferred commercial provider. The purpose for this is to provide ‘one source of the truth’ economic modelling assessment for any project or business development in the North and provide in-depth data at an LGA and suburb level (where available).

After consultation and advice (and a lot of hard bargaining with .id), the best outcome for the regional modelling economic data base was to;

- Accept the development of regional level (LGA) as the agreed strategic approach
- Include suburb level information for councils with a population over 10,000 that can access this level of information (this was a requirement for some of our councils)
- retain current subscriptions (functionality) for councils with individual council sites
- keep initial proposal for councils under a population of 10,000 and; small areas (suburbs) with-in the LGA not being viable to go to the suburb level. (for these council the Atlas profile is sufficient)

We have now received all 7 Councils formal electronic approvals and signed the SLA with .id on their behalf.

Next steps are to review timelines for implementation and coordinate a Centre of Excellence Team of members in early 2018 from each council area to ensure all LGA’s can actively use the information available.

4. 'Cluster Week'

During the week, starting 27th November, Northern Tasmania Development Corporation Ltd (NTDC) initiated a 'Cluster Week' by hosting Cluster Navigators CEO, Ifor Ffowcs-Williams, who addressed and facilitated various industry based workshops focusing on the Food, Forestry and Health sectors in Launceston. At least 120 business and organisations were exposed to the benefits of cluster development during the three days of workshops in Launceston.

Ifor is acknowledged as one of the most influential cluster practitioners in the world, with hands-on experience extending to over 50 countries, including as an advisor to The World Bank, EU, OECD, UNDP, international aid agencies and national and regional economic development agencies in six countries.

"Coopetition" and an "emphasis on teamwork and wisdom of the crowd" rather than silos were the key take away messages from Ifor Ffowcs Williams. These events are a step forward for Tasmania in Cluster Development opportunities to drive economic growth collaboratively, "it is not one mothership, it is a range of companies working together driven by industry". Synergies in each sector event were identified around supply chain, education, and retaining and attracting talent to the region.

For Tasmania to be heard on the world stage, Ifor articulated that Tasmania "needs to blow your own trumpet" and "know what we are good at". Examples of relatable clusters around the world are Grasse, Perfume Capital of the World and Glass Valley in Bresle, Northern France.

NTDC worked with Cradle Coast Authority (CCA) and UTAS to ensure two days of workshops were also held in the North West – and businesses were encouraged to attend sessions in either location.

NTDC is now working with stakeholders to investigate how clusters focused on forestry, food and health supply chain can be resourced and supported. The development of Clusters is a priority strategy as part of the Northern Tasmanian Regional Economic Development Program (REDP) in alignment with the City Deal.



5. Call to action for Councillors/Aldermen

The REDP Program is heading into a significant consultation phase where we will be contacting businesses across the region. Our aim in the consultation process is to identify details of business expansion opportunities, start-ups, opportunities to leverage cultural assets, capacity building projects and enabling regional infrastructure that would promote economic prosperity within individual LGA's and the region.

Taking a key learning from our successful Cluster Week sessions, it is the tacit information that enables us to learn what is going on around us. We have so far engaged a key liaison person per Council to help us identify businesses in each LGA we can visit and talk to - however we want to encourage Councillors and Aldermen to advise us of businesses, associations, groups or organisations that you see have potential for growth and innovation, in our key sectors. The key sectors are: food and agribusiness, tourism, competitive manufacturing, health, education, entrepreneurship & innovation - or even other sectors we are still to identify.

We encourage you to pass the details on NTDC or help make introductions to our team.

If you would like more information on any of these subjects – or you would like to share your views on an opportunity or impediment – don't hesitate to contact us – details below:

NTDC Office Phone: 0400338410

Maree Tetlow, CEO, Phone: 0408 825060, and email: maree@northerntasmania.org.au

Ellie Pardoe, Project Officer: 0400 814 692 and email: ellie@northerntasmania.org.au

Rikki-lee Ross, Executive Support and Communications Officer (at office number) and email: rikki-lee@northerntasmania.org.au

John Pitt, NTDC Chair Phone: 0417 310 490 and email: jpitt@uhuru.com.au

Office address: Level 1, 93 York Street (above Foot Care between St John and Charles St) Launceston

Mail Address remains as: PO Box 603, Launceston TAS 7250